



Connecting primes and DBEs online to expand Wisconsin's contracting industry

Needs analysis: WisDOT was seeking a way to help primes connect online with DBE subs/suppliers to meet contract goals.

Solution: In cooperation with the American Indian Chamber of Commerce, WisDOT implemented the Small Business Network from the Bid Express service. It quickly became a communications tool for project information and a way to track exchange of sub-quotes. **Results:** The WisDOT Bid Express page is now a 'one-stop-site' for all of the bidding needs for Wisconsin primes and DBE subs/suppliers.

The Wisconsin Department of Transportation (WisDOT), like many other similar agencies, is always seeking ways to engage Disadvantaged Business Enterprises (DBEs) and help contractors meet DBE program goals. A contract with the American Indian Chamber of Commerce of Wisconsin (AICCW) was in place to help move forward with these initiatives. Together, these organizations were seeking best practices from other agencies and discovered the Bid Express Small Business Network® (SBN).

The SBN is a communication center located in the Bid Express service that helps prime contractors and subs/suppliers exchange quotes for projects electronically. While traditional methods work (i.e. sending prices via fax or e-mail), exchanging prices via the Internet on the bidding service is more efficient and virtually error-proof. Sub-quotes can be tracked easily, and users are instantly alerted when replies come in. The SBN is currently available in 33 U.S. state transportation agencies.

"We are viewing the use of SBN as an element of prime contractors' request for DBE/sub quotes efforts and facilitating the likelihood that they will receive enough competitive quotes to meet contract-specific goals or, if necessary, to receive a good-faith waiver," Michele Carter, WisDOT DBE & CRCS Section Manager, said.

According to Gary Mejchar, Assistant Director/Project Manager for the AICCW, several features of the SBN were particularly appealing to both WisDOT and stakeholders. First, the ability for a DBE/sub to add items to a prime's sub-quote request was important to the business workflow. Also, the ability for a DBE/sub to create an unsolicited sub-quote and send it to multiple primes was of great value. The ability to attach a file was very

important as well, since this allows subs to maintain standard quoting procedures, while gaining the benefits of an online system. In addition, the standard sub-quote format offers primes tremendous value relative to sub-quote comparison work.

In short, stakeholders were sold on the SBN – especially considering it is offered at no cost through the Bid Express service. There is no fee to the agency and it is free to Bid Express service subscribers. There were already more than 250 Bid Express service subscribers in Wisconsin.

For the purposes of WisDOT, it was determined that the AICCW would administer the SBN and a December 2009 pilot and subsequent roll-out was planned. The timing was ideal since winter is Wisconsin's off-peak season for construction due to typically inclement weather. Using supportive services funding, WisDOT purchased a block of accounts to assign for free to DBE users who otherwise may not have access to the Bid Express service.

"The WisDOT DBE Support Services investment in the block of accounts is an element of our responsibility for process and documentation when a DBE goal is assigned to a federally funded project – and another avenue for connecting DBEs with prime contractors' quote requests," Carter said.

To promote the SBN in anticipation of the launch, several methods of communication were used by the AICCW and WisDOT. The SBN pilot user group was formed of seven prime contractors and 12 DBE firms that provided feedback throughout the process. SBN training was featured during mandatory pre-bid meetings, at the annual WisDOT DBE

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Gary Mejchar, Assistant Director/Project Manager
American Indian Chamber of Commerce of Wisconsin

conferences, at a variety of workshop venues, and among other outreach campaigns throughout the state. Mejchar indicates that the more communication an agency can do in advance of the roll-out, the better.

The true test was yet to come, however. How would the users, both primes and DBEs, adapt to the system? As with any technology, the reaction ranged from wary to enthusiastic. While the primes have mostly jumped into use of the Internet for bidding in general, the DBE community is lagging somewhat in this area.

"We discovered through the launch of SBN that some businesses, particularly in some more remote locations, are not using the Internet as a business resource nor relying on computers in their routine business operations," Mejchar said. "This situation created a significant barrier to the sought after shift to adoption and proficiency with secure Internet quote development and communications.

Within a few months, with considerable outreach and marketing, the comfort level grew for both prime and sub users and use of the system expanded.

"Wisconsin's transportation contractors have embraced the use of Bid Express and the new SBN feature is a valuable addition, allowing primes to solicit quotes and subs to reply online with their best prices," said Matt Grove, Director of Construction for the Wisconsin Transportation Builders Association. "The SBN, along with traditional methods of communicating project information and building relationships with DBE/subs, will help expand the capacity of the state's contracting industry."

Carter recommends that agencies assess the comfort level of their DBE community with the Internet in general in order to ensure success with the SBN.

Lunda Construction is a large prime contractor in Wisconsin. Mike Hanson from Lunda Construction has been working with the SBN and feels it has the potential to change the business processes.

"While it may be more work for the initial contact of the DBE for each project, the SBN should provide a more efficient process to get to the DBE actually needed for the specifics on the project," Hanson said. "I would hope SBN would replace the current [good-faith waiver] process in light of the communication capabilities SBN appears to provide."

Pro Electric, Inc. is a certified DBE firm in Wisconsin. Craig Clements of Pro Electric was part of the pilot testing group for the SBN that initially provided feedback on the service to the development team.

"Saving time is the biggest benefit of the Small Business Network," he said. "We really appreciated the opportunity to field test the SBN program and provide our critique and requests for improved features. Generally it seems that we are just told to start using a new system, but this way we actually had input to getting the system designed to best meet our needs."

Mejchar also has high praise for the team behind the SBN – the Bid Express service development team at Info Tech, Inc. "They were consistently accessible, attentive, responsive and accountable to information requests, training program planning/execution and new feature development."

Exchanging sub-quotes on the Bid Express Web site to help meet DBE goals is now seen as an extension of this already valuable service.

"The biggest benefit that the SBN system offers is the potential to serve as a standardized 'one stop site' for secure WisDOT project information flow and communications among primes, DBE/subs and the agency, complementing other necessary direct prime-DBE meetings and phone calls to discuss project details and build working relationships," Mejchar said.

WisDOT was one of the first agencies to implement Internet bidding many years ago, so the agency has a history of being an early adopter of technology. David Castleberg, P.E. of the WisDOT Bureau of Project Development was involved in that implementation and now is seeing the implementation of the SBN.

"In 1997 the Wisconsin Department of Transportation was the first agency to implement the Bid Express web service for contractors, and as business functions are increasingly performed online, Bid Express and SBN provide many of the tools necessary to complete bidding processes."

WisDOT is once again on the forefront of technology and this time it is the DBE community receiving the benefits. •



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